

Statement of  
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Ranking Democrat, House Subcommittee on  
Telecommunications and the Internet  
*Hearing on Major Telecommunications Mergers*  
March 2, 2005

Good Morning. I want to commend Chairman Barton for calling this hearing today on telecommunications mergers.

Mr. Chairman, in this month of March Madness, college basketball teams will compete to reach the Final Four. In the march of telecomm mergers, we may also reach a Final Four. In college basketball, to reach the Final Four, teams have to compete to defeat their opponents; they don't get to merge with them in order to move on. The Bell companies have employed non-market strategies -- in the courts, in Congress, and ultimately at the Commission -- to beat AT&T and MCI and compel them into these mergers. While these were perfectly legal corporate strategies, we shouldn't confuse them with actually winning in the marketplace with consumers.

It was not technological change that brought about the Bell company mergers before us today. Rather, it was an unwise change in government policy by the Federal Communications Commission which led to these mergers. We know these mergers were not the first preference of either MCI or AT&T, both of which had earned their pedigrees as competitive, entrepreneurial companies.

With fewer companies remaining to offer competing, affordable traditional telephone service to average residential customers, the risk to the consumer is whether the remaining Bell behemoths will raise rates. And in the broadband marketplace, the question will be whether these same companies truly embark upon ruthless, Darwinian, Adam Smith-like telecomm wars, or whether we see a "digital détente" -- and these mergers merely presage the cozy coalescence of the communications colossi. Consumers have a lot riding on the answers to these questions.

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